



Reporting News



Reporting News - Issue 2, 2018

3 April 2018

Welcome to KPMG's Reporting News, a regular summary of publications on reporting matters from KPMG

Reporting News aims to keep you informed about financial reporting developments and includes the following principal newsletters:

- *Reporting Updates* published by KPMG New Zealand, which focus on the application of IFRS in the New Zealand financial reporting environment, legislative and regulatory changes, and other New Zealand-specific reporting topics.
- *Web articles* and other publications from KPMG's International Standards Group, which provide timely updates on developments concerning IFRS.

KPMG International News and Publications

KPMG applying IBM artificial intelligence to help businesses efficiently meet IFRS 16 lease accounting requirements

For companies with a multitude of leasing agreements, meeting the requirements of the IFRS 16 lease accounting standard (effective 1 January 2019) can be an arduous undertaking.

A new automated solution, the [KPMG Contract Abstraction Tool](#), extracts data many times faster than traditional methods, enabling entities to swiftly and easily analyse real estate lease agreements. In addition to real estate, the tool helps simplify IFRS 16 compliance for the leasing of automobiles and IT services.

Read [here](#) for more information.

IFRS 16 impact on consumer markets and retail companies

This 4 page publication highlights the impact that will face consumer markets and retail companies that have leases with the following features:

- termination and renewal options;
- variable payments;
- sub-lease agreements;
- restoration provisions; and
- service charges bundled with lease payments.

Click [here](#) to view the Publication.

For more information on IFRS 16, see our [Leases page](#).

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Real-time IFRS 9

KPMG has launched a Real-time IFRS 9 [online magazine](#) detailing how banks are implementing the new Standard.

Have a read through the latest articles:

- The first glimpse of how IFRS 9 is impacting banks starts to emerge. [This article](#) takes a look at the information issued by 25 large European banks.
- As banks issue more detailed information, some interesting perspectives have been yielded. [This article](#) takes a look at the 2017 financial statements of several UK banks, also publishing IFRS 9 transition packs; the first quarter reports of some Canadian banks under IFRS 9; and disclosures on how exposures are split by stage of impairment under IFRS 9.
- [This article](#) takes a deep dive into the detail that several major banks have disclosed on their expected credit loss (ECL) models under IFRS 9.

For more information on IFRS 9, see our [Financial Instruments page](#).

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Other IFRS News

Exposure Draft available for public comment – IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The IASB has published for public consultation proposed narrow-scope amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Companies may decide to change an accounting policy as a result of an agenda decision published by the IFRS Interpretations Committee. Agenda decisions explain why the Interpretations Committee concludes that there is no need to amend or add to requirements in IFRS Standards after considering an application question. Agenda decisions are non-authoritative but often contain helpful explanatory information about how to apply IFRS Standards.

The IASB is proposing that in deciding how far back to go in applying a change in accounting policy that results from an agenda decision, a company will consider not only whether it is practicable but also the benefits to users and costs to the company of making the change.

The aim of the proposed amendments to IAS 8 is to promote greater consistency in the application of IFRS Standards, reduce the burden on companies when they change an accounting policy as a result of an agenda decision and, thus, improve the overall quality of financial reporting.

Deadline for submitting comment letters: 27 July 2018. Visit the [website](#) for more information.

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Public Benefit Entity News

2018 Omnibus Amendments to Tier 3 and Tier 4 PBE Accounting Requirements

The New Zealand Accounting Standards Board (NZASB) has published for public comment Exposure Draft NZASB 2018-2 Omnibus Amendments to Tier 3 and Tier 4 PBE Accounting Requirements (Simple Format Reporting – Limited Scope Amendments).

This includes amendments for the following:

- Amendments to align terminology and concepts with the Public Benefit Entities' Conceptual Framework (PBE Conceptual Framework). These amendments are to the Tier 3 standards only;
- Clarification of existing requirements;
- Adding a requirement to sign and date the performance report;
- Amendments arising from the 2017 Amendments to XRB A1 Application of the Accounting Standards. These amendments are to the Tier 4 standards only; and
- Minor editorial amendments.

Comments due by 30 May 2018. Go to the [XRB website](#) for further information.

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Other

2017 Extended External Reporting Surveys (“EER”)

Respondents were asked about the challenges and opportunities for them as either Preparers or Users of EER. Published in two separate surveys, the research studies the attitudes of company CFOs (Preparers’ Survey) and interested parties (Users’ Survey) towards EER in New Zealand.

While both Preparers of external reporting and Users welcome the reporting of performance details and industry-specific statistics, Users generally want more information than Preparers currently provide. The study shows 63% of Preparers think it is important or very important to disclose information on strategies to achieve goals, compared to 95% of Users. Yet only 42% of Users consider this is well reported.

See [here](#) for the full surveys.

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Please speak to your usual KPMG contact or call any of our offices should you have any questions on the above or if you would like further information on any of the matters discussed in this publication.

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